

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

EBS/82/20
Correction 1

CONFIDENTIAL

February 24, 1982

To: Members of the Executive Board
From: The Secretary
Subject: Yugoslavia - Review and Consultation Under Stand-By Arrangement

The following corrections have been made in EBS/82/20 (1/29/82):

Page 29, Table 6: revised

Page 31, Table 8: figures in columns 1 and 5 revised

Chart - Main Variables: Change "In billions of dollars" to
"In billions of dinars"

Corrected pages are attached.

Att: (3)

Table 6. Yugoslavia: Foreign Trade Developments, 1978-82

	1978	1979	1980	1981			1982		
				Jan.-Dec. Proj. 1/	Jan.-June Actual	July-Sept. Actual	Oct.-Dec. Est.	Jan.-Dec. Est.	Proj.
				(In millions of U.S. dollars)					
Exports									
Convertible area	3,971	4,766	5,656	7,050	2,851	1,524	2,066	6,441	7,730
Nonconvertible area	1,838	2,028	3,322	3,500	2,048	1,065	1,375	4,488	4,870
Total	5,809	6,794	8,978	10,550	4,899	2,589	3,441	10,929	12,600
Imports									
Convertible area	8,373	11,336	11,321	12,345	6,459	2,731	2,556	11,746	12,885
Nonconvertible area	2,066	2,683	3,743	4,185	1,995	1,030	986	4,011	5,148
Total	10,439	14,019	15,064	16,530	8,454	3,761	3,542	15,757	18,033
(Percentage change over corresponding period of previous year)									
Exports									
Convertible area	12.2	20.0	18.7	24.6	-0.6	10.8	36.6	13.9	24.1
Nonconvertible area	11.3	10.3	63.8	5.4	65.8	28.6	18.7	35.1	18.2
Total	11.9	16.9	32.1	17.5	19.4	17.5	28.9	21.7	21.7
Imports									
Convertible area	10.2	35.4	-0.1	9.0	12.1	-2.5	-15.0	3.8	11.7
Nonconvertible area	-5.6	29.9	39.5	11.8	25.3	9.5	3.2	7.2	28.1
Total	6.6	34.3	7.4	9.7	14.9	0.5	-10.6	4.6	15.9

Source: Data provided by the Yugoslav authorities.

1/ As in EBS/81/5 (1/16/81).

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Corrected: 2/22/82

Table 7. Yugoslavia: Budget of the Federation
(In billions of dinars)

	1979	1980	1981		1982
			Proj. 1/	Est. 2/	Proj. 3/
Revenue					
Customs duties and other import fees	24.6	20.7	35.4	21.0	30.3
Contributions from republics and provinces	28.4	38.5	52.6	63.8	80.4
General turnover and sales taxes	37.7	47.4	73.4	73.4	88.9
Other taxes	0.1	0.2	0.2	0.2	0.6
Nontax revenues	2.7	2.5	2.9	2.9	3.6
Total revenue	93.6	109.4	164.5	161.3	203.9
Expenditure					
Administration	15.2	18.6	21.4	20.2	24.6
Defense	55.1	76.1	101.9	100.0	122.7
Grants to republics and provinces	10.5	14.3	16.3	16.0	20.8
Grants to funds and communities of interest	14.8	18.7	25.2	24.9	30.9
Investment	0.7	0.8	0.2	0.9	0.3
Other and discrepancy	1.0	1.2	0.5	1.4	2.2
Total expenditure	97.3	129.7	165.6	163.4	201.5
Surplus or deficit	-3.7	-20.3	-1.1	-2.1	2.4
(as per cent of GSP)	(-0.3)	(-1.3)	(-0.1)	(-0.1)	(0.1)
Financing, net domestic: total 4/	3.7	20.3	1.1	2.1	-2.4
Bond issues	--	13.3	--	--	--
National Bank credits	8.5	9.2	4.6	4.6	--
Repayment of bank credits	-1.7	-0.7	-3.0	-2.0	-1.6
Bond amortization	-2.9	-1.3	-0.2	-0.2	-0.5
Allocation to budgetary reserves	-0.2	-0.2	-0.3	-0.3	-0.3

Source: Data supplied by the Yugoslav authorities.

1/ The preliminary budget estimates reported in EBS/81/5 (Corrected: 1/27/81).

2/ The revised estimates made in December 1981, following the decision to reduce expenditure by Din 2.2 billion and repayment of bank credits by Din 1.0 billion, with a corresponding downward revision to revenue.

3/ From the Resolution for the Annual Plan for 1982.

4/ There was no external financing of the budget.

Table 8. Yugoslavia: Monetary Survey

	Net Foreign Assets	Domestic Credit <u>1/</u>	Money Supply <u>2/</u>	Quasi- money <u>3/</u>	Other Items (net)
Stock in billions of dinars at end of:					
1979	-112.0	1,217.7	375.2	575.9	154.6
1980	-257.3	1,568.3	461.6	785.5	63.9
1981					
First quarter	-283.2	1,661.5	477.2	827.6	73.5
Second quarter	-335.5	1,750.7	506.0	870.6	38.6
Third quarter	-343.9	1,830.9	545.6	941.8	-0.4
Estimates and projections made in January 1981:					
1980					
Fourth quarter estimate	-194.0	1,538.0	465.0	879.0	
1981					
First quarter projected	-208.0	1,634.0	484.0	942.0	
Second quarter projected	-218.0	1,717.0	507.0	992.0	
Third quarter projected	-225.0	1,797.0	537.0	1,035.0	
Fourth quarter projected	-240.0	1,883.0	567.0	1,076.0	
Estimates and projections made in January 1982:					
1981					
Fourth quarter estimate	-364.6	1,913.3	570.0	1,021.0	-42.3
1982					
First quarter projected	-394.6	2,000.3	588.0	1,064.0	-46.3
Second quarter projected	-409.6	2,084.3	611.0	1,118.0	-54.3
Third quarter projected	-419.6	2,171.3	640.0	1,173.0	-61.3
Fourth quarter projected	-436.6	2,264.3	666.5	1,240.0	-78.8
Change during 1982 in billions of dinars:					
Flow <u>4/</u>	-34.0	333.4	96.5	172.5	30.4
Revaluation of initial stock	-38.0	17.6	--	46.5	-66.9
Total	-72.0	350.0	96.5	219.0	-36.5
Change during 1982 as per cent of initial stock:					
Flow	9.3	17.4	16.9	16.9	
Total	19.7	18.3	16.9	21.4	

Source: Data supplied by the Yugoslav authorities.

1/ Comprises bank loans extended in both dinars and foreign currencies to domestic clients, including the Government, and investment in securities. The concept of domestic credit used for the estimates and projections made in January 1981 is slightly narrower than that shown in the other rows, because it excludes lending by the Post Office Savings Bank and the fund for financing trade. There is an offsetting adjustment in other items (net). The actual outturn on the basis of this concept was (in billions of dinars): Domestic credit: 1980, fourth quarter, 1,554.5; 1981, first quarter, 1,644.6; second quarter, 1,733.1; and third quarter, 1,813.1; quasi-money and other items (net): 1980, fourth quarter, 835.8; 1981, first quarter, 884.2; second quarter, 891.6; and third quarter, 923.6.

2/ Includes government deposits and excludes items in transit.

3/ Comprises foreign exchange deposits of residents, other sight deposits, time deposits, restricted deposits, securities issued by banks, and claims on banks in respect of pooled resources.

4/ The foreign currency components are converted to dinars at the assumed average exchange rate in 1982.

Table 9. Yugoslavia: National Accounts, Incomes, and Prices

(Percentage change from previous year)

	1979	1980	1981		1982
	Actual		Proj. 1/	Est.	Proj. 2/
National accounts (1980 prices)					
Private consumption	6.0	0.3	2.5	-1.0	--
Public consumption	7.9	1.6	0.7	-0.8	-0.2
Gross fixed capital formation	<u>4.6</u>	<u>-1.6</u>	<u>-5.3</u>	<u>-4.5</u>	<u>-6.0</u>
Final domestic demand	5.7	-0.3	-0.5	-2.2	-2.1
Stockbuilding and statistical discrepancy 3/	<u>4.6</u>	<u>-2.4</u>	<u>0.5</u>	<u>-1.4</u>	<u>2.0</u>
Total domestic demand	9.2	-2.4	--	-0.6	0.1
Exports of goods and services	3.4	8.9	7.0	2.6	8.5
Imports of goods and services	<u>9.8</u>	<u>-10.0</u>	<u>-3.0</u>	<u>-7.7</u>	<u>-2.2</u>
Gross social product	7.0	2.4	3.2	2.2	2.5
Incomes					
Nominal gross social product	29	34	24	43	23
Nominal aggregate wages 4/	26	24	...	37	22
Nominal wage 4/	20	21	...	34	20
Real wage 4/	--	-7	1.3-1.5	-6	--
Prices					
GSP deflator	21	31	20	40	20
Retail prices	22	30	...	46	20
Retail prices (growth during year)	24	39	20-25	39	15

Sources: Indeks; data supplied by the Yugoslav authorities; and staff estimates.

1/ Resolution for the Annual Plan for 1981.

2/ Resolution for the Annual Plan for 1982.

3/ The change in stockbuilding and the statistical discrepancy expressed as a percentage of GSP in the first year.

4/ Aggregate wages are equivalent to the official Yugoslav concept of total personal incomes from employment; the wage is equivalent to personal income per employee. These three rows refer to the socialized sector, which includes nonproductive activities and excludes individual workers.

CHART YUGOSLAVIA MAIN VARIABLES

